



11837200520100100

ANNUAL STATEMENT
For the Year Ended December 31, 2005
OF THE CONDITION AND AFFAIRS OF THE
The Castle Hill Insurance Company

| | | | | | | |
|--|--|----------------|---|--------------------------------------|----------------------|------------|
| NAIC Group Code | 3490 | 3490 | NAIC Company Code | 11837 | Employer's ID Number | 20-0317088 |
| | (Current Period) | (Prior Period) | | | | |
| Organized under the Laws of | Rhode Island | | , State of Domicile or Port of Entry Rhode Island | | | |
| Country of Domicile | US | | | | | |
| Incorporated/Organized: | October 17, 2003 | | | Commenced Business: October 17, 2003 | | |
| Statutory Home Office: | One Beacon Centre Warwick, RI 02886-1378 | | | | | |
| Main Administrative Office: | One Beacon Centre Warwick, RI 02886-1378 401-825-2667 | | | | | |
| Mail Address: | One Beacon Centre Warwick, RI 02886-1378 | | | | | |
| Primary Location of Books and Records: | One Beacon Centre Warwick, RI 02886-1378 401-825-2667 | | | | | |
| Internet Website Address: | N/A | | | | | |
| Statutory Statement Contact: | Ann Lazzareschi | | | | 401-825-2621 | |
| | alazzareschi@beaconmutual.com | | | | 401-825-2659 | |
| | (E-Mail Address) | | | | (Fax Number) | |
| Policyowner Relations Contact: | David R. Clark One Beacon Centre Warwick, RI 02886-1378 401-825-2785 | | | | | |

OFFICERS

| | Name | Title |
|----|--------------------------|-----------------|
| 1. | Joseph Arthur Solomon | President & CEO |
| 2. | Clifford Leo Parent, Jr. | Secretary |
| 3. | Cynthia Lee Lawlor | Treasurer |

Vice-Presidents

| Name | Title | Name | Title |
|------|-------|------|-------|
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DIRECTORS OR TRUSTEES

| | | | |
|-----------------------|--------------------------|--------------------------|------------------------|
| Joseph Arthur Solomon | Cynthia Lee Lawlor | Jeffrey Carleton Johnson | Paul William Redman |
| David Randolph Clark | Clifford Leo Parent, Jr. | Michael Dennis Lynch | Sheldon Sumner Sollosy |
| Henry NMI Boeniger | George Henry Nee | Carl Irving Hayes, Jr. | |
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State of Rhode Island
County of Kent ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

| | | |
|-----------------------------|--------------------------|--------------------|
| (Signature) | (Signature) | (Signature) |
| Joseph Arthur Solomon | Clifford Leo Parent, Jr. | Cynthia Lee Lawlor |
| (Printed Name) | (Printed Name) | (Printed Name) |
| 1. | 2. | 3. |
| President (President & CEO) | Secretary | Treasurer |
| (Title) | (Title) | (Title) |

| | | |
|--|--------------------------------|-------------------------------|
| Subscribed and sworn to before me this | a. Is this an original filing? | YES [X] NO [] |
| day of , 2006 | b. If no: | 1. State the amendment number |
| | | 2. Date filed |
| | | 3. Number of pages attached |

NONE Schedule A - Part 1

NONE Schedule A - Part 2

NONE Schedule A - Part 3

NONE Schedule B - Part 1

NONE **Schedule B - Part 2**

NONE Schedule BA - Part 1

NONE Schedule BA - Part 2

SCHEDULE D - PART 1
Showing All Long-Term BONDS Owned December 31 of Current Year

| 1 | 2 | Codes | | | 6 | 7 | Fair Value | | 10 | 11 | Change in Book/Adjusted Carrying Value | | | | Interest | | | | | Dates | | |
|------------------------------|---|-------|--------------------------------------|--------------|--------------------------|----------------------|--|------------------------|----------------------|--|--|--|---|--|----------------------|-----------------------------------|-----------------------|--|---|--------------------------|--------------------------|--|
| | | 3 | 4 F o r e i g n | 5 | | | 8 Rate Used To Obtain Fair Value | 9 Fair Value | | | 12 Unrealized Valuation Increase/ (Decrease) | 13 Current Year's (Amort- ization)/ Accretion | 14 Current Year's Other Than Temporary Impairment Recognized | 15 Total Foreign Exchange Change in B./A.C.V. | 16 Rate of | 17 Effective Rate of | 18 How Paid | 19 Admitted Amount Due & Accrued | 20 Gross Amt. Rec. During Year | 21 Acquired | 22 Maturity | |
| | | | | | | | | | | | | | | | | | | | | | | |
| CUSIP Identi- fication | Description | * | | Bond CHAR | NAIC Design- ation | Actual Cost | | | Par Value | Book/ Adjusted Carrying Value | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | |
| 31359M-QP-1 912827-4V-1 | FNMA Deb US Treas Notes | | | | 1 1 | 253,243 1,074,766 | 97.59 100.96 | 243,985 1,009,610 | 250,000 1,000,000 | 251,780 1,044,383 | | (818) (14,556) | | | 3.500 4.750 | 3.167 3.146 | JJ MN | 3,733 6,167 | 8,750 47,392 | 03/10/2004 11/17/2003 | 01/28/2008 11/15/2008 | |
| 0199999 | Subtotal - Issuer Obligations | | | | | 1,328,009 | X X X | 1,253,595 | 1,250,000 | 1,296,163 | | (15,374) | | | X X X | X X X | X X X | 9,900 | 56,142 | X X X | X X X | |
| 38374C-J2-8 | GNMA REMIC 03-86 GE | | | | 1 | 157,552 | 97.87 | 154,392 | 157,749 | 157,548 | | (2) | | | 4.000 | 4.070 | MON | 526 | 6,350 | 12/16/2003 | 05/20/2027 | |
| 0299999 | Subtotal - Single Class Mortgage-Backed/Asset-Backed Securities | | | | | 157,552 | X X X | 154,392 | 157,749 | 157,548 | | (2) | | | X X X | X X X | X X X | 526 | 6,350 | X X X | X X X | |
| | | | | | | | | | | | | | | | | | | | | | | |
| 0399999 | Subtotals - U.S. Governments | | | | | 1,485,561 | X X X | 1,407,987 | 1,407,749 | 1,453,711 | | (15,376) | | | X X X | X X X | X X X | 10,426 | 62,492 | X X X | X X X | |
| | | | | | | | | | | | | | | | | | | | | | | |
| 013518-H2-4 | Albuquerque Nm | | | | 1FE | 269,570 | 102.76 | 256,888 | 250,000 | 254,136 | | (8,170) | | | 5.000 | 1.670 | JJ | 6,250 | 12,500 | 02/06/2004 | 07/01/2006 | |
| 097464-QV-6 | Boise St Univ Idaho | | | | 1FE | 381,920 | 107.41 | 375,939 | 350,000 | 378,345 | | (1,949) | | | 5.000 | 4.136 | AO | 4,375 | 17,500 | 02/06/2004 | 04/01/2017 | |
| 167484-SM-7 | Chicago IL | | | | 1FE | 415,097 | 114.61 | 401,125 | 350,000 | 350,000 | | (29,491) | | | 6.750 | 6.864 | JJ | 11,813 | 23,625 | 06/04/2004 | 07/01/2010 | |
| 196630-5L-7 | Colorado Springs Co | | | | 1FE | 385,329 | 108.05 | 378,158 | 350,000 | 382,400 | | (2,345) | | | 5.000 | 3.984 | MN | 2,917 | 19,736 | 09/20/2004 | 11/15/2016 | |
| 217482-YL-6 | Coppell Tx | | | | 1FE | 437,196 | 106.86 | 427,420 | 400,000 | 434,990 | | (2,206) | | | 5.000 | 4.055 | FA | 8,333 | 10,000 | 02/09/2005 | 02/01/2017 | |
| 249164-EH-3 | Denver Co City & Cnty | | | | 1FE | 382,211 | 107.15 | 375,022 | 350,000 | 379,015 | | (1,725) | | | 5.000 | 4.191 | FA | 7,292 | 17,500 | 02/12/2004 | 08/01/2018 | |
| 425200-Q2-1 | Henderson Nv | | | | 1FE | 398,699 | 111.41 | 389,935 | 350,000 | 393,265 | | (3,015) | | | 5.250 | 3.921 | AO | 4,594 | 18,375 | 02/13/2004 | 04/01/2017 | |
| 46613C-BW-4 | Jea FI Elec Sys Rev | | | | 1FE | 363,281 | 101.26 | 339,204 | 335,000 | 343,132 | | (10,672) | | | 5.000 | 1.738 | AO | 4,188 | 16,750 | 02/06/2004 | 10/01/2006 | |
| 474176-GL-2 | Jefferson La Sales Tax Dist Sp | | | | 1FE | 492,593 | 106.42 | 478,908 | 450,000 | 491,276 | | (1,317) | | | 5.000 | 4.121 | JD | 1,875 | 10,438 | 06/02/2005 | 12/01/2018 | |
| 574204-RS-4 | Maryland St Dept Transn Cons | | | | 1FE | 297,058 | 107.60 | 295,903 | 275,000 | 295,544 | | (1,393) | | | 5.000 | 4.210 | MN | 2,292 | 13,750 | 11/29/2004 | 05/01/2017 | |
| 603789-V9-6 | Minneapolis Minn Spl Sch Dist | | | | 1FE | 496,787 | 107.55 | 483,984 | 450,000 | 494,703 | | (2,084) | | | 5.000 | 3.841 | FA | 9,375 | 9,375 | 06/03/2005 | 02/01/2016 | |
| 65821F-EQ-5 | North Carolina HSG Series 22-A | | | | 1FE | 318,372 | 106.33 | 318,999 | 300,000 | 318,351 | | (21) | | | 5.500 | 5.167 | JJ | 1,421 | | 10/26/2005 | 07/01/2036 | |
| 68607V-KZ-7 | Oregon St Dept | | | | 1FE | 387,975 | 106.79 | 373,755 | 350,000 | 383,761 | | (2,345) | | | 5.000 | 3.970 | AO | 4,375 | 17,500 | 02/26/2004 | 04/01/2017 | |
| 709174-8K-5 | Pennsylvania St Higher Edl Fac | | | | 1FE | 276,100 | 108.20 | 270,488 | 250,000 | 275,794 | | (306) | | | 6.000 | 5.298 | MN | 2,500 | 7,500 | 06/15/2005 | 05/01/2029 | |
| 744890-QK-3 | Pueblo Cnty Co Sd | | | | 1FE | 394,041 | 109.11 | 381,868 | 350,000 | 389,395 | | (2,507) | | | 5.375 | 4.210 | JD | 1,568 | 18,813 | 02/12/2004 | 12/01/2017 | |
| 79575D-QL-7 | Salt River Proj AZ | | | | 1FE | 271,968 | 101.63 | 254,075 | 250,000 | 257,702 | | (7,559) | | | 5.000 | 1.885 | JJ | 6,250 | 12,500 | 02/06/2004 | 01/01/2007 | |
| 798135-TQ-2 | San Jose Ca | | | | 1FE | 253,922 | 105.75 | 253,802 | 240,000 | 253,138 | | (434) | | | 5.100 | 4.712 | MS | 4,080 | 12,240 | 02/27/2004 | 09/01/2024 | |
| 87971H-CM-4 | Tempe Az Excise Tax | | | | 1FE | 274,100 | 110.28 | 275,710 | 250,000 | 271,786 | | (1,620) | | | 5.250 | 4.259 | JJ | 6,563 | 14,219 | 07/22/2004 | 07/01/2016 | |
| 880557-F3-2 | Tennessee St Sch Bd Auth | | | | 1FE | 330,384 | 108.20 | 324,594 | 300,000 | 329,271 | | (1,113) | | | 5.000 | 3.884 | MN | 2,500 | 6,250 | 07/06/2005 | 05/01/2016 | |
| 882135-WH-5 | Texas A & M Univ Revs | | | | 1FE | 371,335 | 108.83 | 353,691 | 325,000 | 364,143 | | (3,946) | | | 5.250 | 3.605 | MN | 2,180 | 17,063 | 02/25/2004 | 05/15/2014 | |
| 887440-AN-5 | Timpangos Spl Svc | | | 1 | 1FE | 445,132 | 102.13 | 408,532 | 400,000 | 408,592 | | (20,478) | | | 6.100 | 0.927 | JD | 2,033 | 24,400 | 02/06/2004 | 06/01/2006 | |
| 916277-GT-7 | Upper Occoquan Swr | | | | 1FE | 399,844 | 110.35 | 386,208 | 350,000 | 392,086 | | (4,165) | | | 5.250 | 3.628 | JJ | 9,188 | 18,375 | 02/10/2004 | 07/01/2014 | |
| 1199999 | Subtotal - Issuer Obligations | | | | | 8,042,914 | X X X | 7,804,208 | 7,275,000 | 7,840,825 | | (108,861) | | | X X X | X X X | X X X | 105,962 | 318,409 | X X X | X X X | |
| | | | | | | | | | | | | | | | | | | | | | | |
| 1799999 | Subtotals - States, Territories and Possessions (Direct and Guaranteed) | | | | | 8,042,914 | X X X | 7,804,208 | 7,275,000 | 7,840,825 | | (108,861) | | | X X X | X X X | X X X | 105,962 | 318,409 | X X X | X X X | |
| | | | | | | | | | | | | | | | | | | | | | | |
| 312962-VW-0 | FHLMC Gold #B10629 | | | | 1 | 326,326 | 99.15 | 318,513 | 321,256 | 325,501 | | (344) | | | 5.000 | 4.778 | MON | 1,339 | 16,126 | 11/24/2003 | 11/01/2018 | |
| 312962-ZK-2 | FHLMC Gold #B10746 | | | | 1 | 298,703 | 99.15 | 291,551 | 294,062 | 297,947 | | (315) | | | 5.000 | 4.778 | MON | 1,225 | 14,720 | 11/24/2003 | 11/01/2018 | |
| 312962-3G-6 | FHLMC Gold #B10799 | | | | 1 | 418,775 | 99.15 | 408,748 | 412,269 | 417,721 | | (439) | | | 5.000 | 4.779 | MON | 1,718 | 20,655 | 11/24/2003 | 12/01/2018 | |
| 312963-PY-1 | FHLMC Gold #B11339 | | | | 1 | 363,302 | 99.15 | 354,604 | 357,658 | 362,707 | | (361) | | | 5.000 | 4.798 | MON | 1,490 | 17,900 | 11/24/2003 | 12/01/2018 | |
| 3128H8-CB-4 | FHLMC Gold #E99966 | | | | 1 | 326,991 | 99.15 | 319,161 | 321,910 | 326,176 | | (339) | | | 5.000 | 4.776 | MON | 1,341 | 16,144 | 11/24/2003 | 10/01/2018 | |

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

| 1 | 2 | Codes | | | 6 | 7 | Fair Value | | 10 | 11 | Change in Book/Adjusted Carrying Value | | | | Interest | | | | | Dates | | |
|------------------------------|---|-------|--------------------------------------|--------------|--------------------------|----------------|--|------------------------|--------------|--|--|--|---|--|----------------------|-----------------------------------|-----------------------|--|---|--------------------|--------------------|--|
| | | 3 | 4 F o r e i g n | 5 | | | 8 Rate Used To Obtain Fair Value | 9 Fair Value | | | 12 Unrealized Valuation Increase/ (Decrease) | 13 Current Year's (Amort- ization)/ Accretion | 14 Current Year's Other Than Temporary Impairment Recognized | 15 Total Foreign Exchange Change in B./A.C.V. | 16 Rate of | 17 Effective Rate of | 18 How Paid | 19 Admitted Amount Due & Accrued | 20 Gross Amt. Rec. During Year | 21 Acquired | 22 Maturity | |
| | | | | | | | | | | | | | | | | | | | | | | |
| CUSIP Identi- fication | Description | * | | Bond CHAR | NAIC Design- ation | Actual Cost | | | Par Value | Book/ Adjusted Carrying Value | | | | | | | | | | | | |
| 31405D-KC-0 | FNMA Pool # 786091 | | | | 1 | 405,255 | 98.98 | 394,962 | 399,020 | 404,505 | | (539) | | | 5.000 | 4.753 | MON | 1,663 | 20,090 | 09/01/2004 | 07/01/2019 | |
| 31400S-BR-9 | FNMA Pool #695848 | | | | 1 | 331,379 | 99.07 | 323,011 | 326,030 | 330,558 | | (340) | | | 5.000 | 4.724 | MON | 1,358 | 16,344 | 11/24/2003 | 05/01/2018 | |
| 31400S-CF-4 | FNMA Pool #695870 | | | | 1 | 324,862 | 99.07 | 316,659 | 319,618 | 324,052 | | (335) | | | 5.000 | 4.722 | MON | 1,332 | 16,044 | 11/24/2003 | 04/01/2018 | |
| 31401C-LJ-0 | FNMA Pool #704229 | | | | 1 | 329,764 | 99.07 | 321,437 | 324,441 | 328,947 | | (338) | | | 5.000 | 4.724 | MON | 1,352 | 16,262 | 11/24/2003 | 05/01/2018 | |
| 31401X-L4-7 | FNMA Pool #721347 | | | | 1 | 344,826 | 99.07 | 336,118 | 339,260 | 343,938 | | (367) | | | 5.000 | 4.728 | MON | 1,414 | 17,019 | 11/24/2003 | 06/01/2018 | |
| 31402X-AK-2 | FNMA Pool #740810 | | | | 1 | 265,348 | 99.07 | 258,647 | 261,065 | 264,628 | | (299) | | | 5.000 | 4.736 | MON | 1,088 | 13,068 | 11/24/2003 | 09/01/2018 | |
| 2699999 | Subtotal - Single Class Mortgage-Backed/Asset-Backed Securities | | | | | 3,735,531 | X X X | 3,643,411 | 3,676,589 | 3,726,680 | | (4,016) | | | X X X | X X X | X X X | 15,320 | 184,372 | X X X | X X X | |
| 31393M-FK-2 | FHLMC Remic 2591-WB | | | | 1 | 491,094 | 95.48 | 477,380 | 500,000 | 474,552 | | 568 | | | 4.000 | 4.417 | MON | 1,667 | 20,000 | 01/15/2004 | 02/15/2030 | |
| 31395L-KX-8 | FHLMC Remic 2920-LA | | | | 1 | 410,290 | 98.99 | 405,003 | 409,139 | 410,212 | | (78) | | | 5.000 | 5.047 | MON | 1,705 | 13,705 | 04/07/2005 | 10/15/2030 | |
| 31394D-N3-0 | FNR 2005-46 LD | | | | 1 | 313,840 | 99.49 | 314,352 | 315,963 | 313,845 | | 5 | | | 5.000 | 5.206 | MON | 1,317 | | 12/21/2005 | 08/25/2018 | |
| 2799999 | Subtotal - Defined Multi-Class Residential Mortgage-Backed Securities | | | | | 1,215,224 | X X X | 1,196,735 | 1,225,102 | 1,198,609 | | 495 | | | X X X | X X X | X X X | 4,689 | 33,705 | X X X | X X X | |
| 3199999 | Subtotals - Special Revenue | | | | | 4,950,755 | X X X | 4,840,146 | 4,901,691 | 4,925,289 | | (3,521) | | | X X X | X X X | X X X | 20,009 | 218,077 | X X X | X X X | |
| 03746W-AA-0 | Apache Fin Pty Ltd | | | | 1FE | 280,170 | 102.74 | 256,845 | 250,000 | 265,048 | | (7,330) | | | 6.500 | 3.324 | JD | 722 | 16,250 | 11/25/2003 | 12/15/2007 | |
| 06423E-PM-1 | Bank One Corp Mtn | | | | 1FE | 252,758 | 97.90 | 244,748 | 250,000 | 251,425 | | (664) | | | 3.700 | 3.437 | JJ | 4,265 | 9,250 | 12/16/2003 | 01/15/2008 | |
| 10513Q-BF-7 | Branch Banking & Trust Co | | | | 1FE | 250,000 | 100.01 | 250,033 | 250,000 | 250,000 | | | | | 3.910 | 3.968 | MJSD | 815 | 2,477 | 08/25/2005 | 09/02/2008 | |
| 115637-AC-4 | Brown Forman Corp | | | | 1FE | 248,123 | 96.00 | 239,990 | 250,000 | 248,970 | | 444 | | | 3.000 | 3.220 | MS | 2,208 | 7,500 | 01/23/2004 | 03/15/2008 | |
| 134429-AQ-2 | Campbell Soup Co | | | | 1FE | 269,765 | 100.40 | 251,008 | 250,000 | 257,436 | | (5,966) | | | 5.500 | 2.994 | MS | 4,049 | 13,750 | 11/25/2003 | 03/15/2007 | |
| 209111-CV-3 | Consolidated Edison | | | | 1FE | 278,303 | 102.76 | 256,908 | 250,000 | 264,077 | | (6,990) | | | 6.450 | 3.420 | JD | 1,344 | 16,125 | 12/05/2003 | 12/01/2007 | |
| 22541L-AF-0 | Credit Suisse FB | | | | 1FE | 258,235 | 99.52 | 248,808 | 250,000 | 254,233 | | (1,962) | | | 4.625 | 3.790 | JJ | 5,332 | 11,563 | 12/02/2003 | 01/15/2008 | |
| 250847-DS-6 | Detroit Edison Co | | | | 1FE | 275,713 | 104.31 | 260,783 | 250,000 | 268,760 | | (3,482) | | | 6.125 | 4.407 | AO | 3,828 | 15,313 | 12/16/2003 | 10/01/2010 | |
| 25243Y-AF-6 | Diageo Cap Plc | | | | 1FE | 199,352 | 95.25 | 190,500 | 200,000 | 199,645 | | 151 | | | 3.750 | 3.871 | MS | 2,104 | 6,750 | 01/08/2004 | 03/20/2008 | |
| 278058-AG-7 | Eaton Corp | | | | 1FE | 248,801 | 101.83 | 229,124 | 225,000 | 231,631 | | (10,375) | | | 8.000 | 3.210 | FA | 6,800 | 18,000 | 04/29/2004 | 08/15/2006 | |
| 33900Q-BE-3 | Fleetboston Fin Mtn | | | | 1FE | 257,543 | 99.10 | 247,755 | 250,000 | 253,827 | | (1,904) | | | 4.200 | 3.396 | MN | 904 | 10,500 | 01/07/2004 | 11/30/2007 | |
| 302570-AK-2 | FPL Group Cap | | | | 1FE | 278,110 | 101.82 | 254,553 | 250,000 | 258,401 | | (11,615) | | | 7.625 | 2.807 | MS | 5,613 | 19,063 | 04/14/2004 | 09/15/2006 | |
| 369550-AJ-7 | General Dynamics | | | | 1FE | 243,625 | 95.82 | 239,560 | 250,000 | 246,458 | | 1,404 | | | 3.000 | 3.661 | MN | 958 | 7,500 | 12/11/2003 | 05/15/2008 | |
| 36962G-S7-0 | General Elec Cap Corp | | | | 1FE | 300,060 | 100.00 | 300,000 | 300,000 | 300,058 | | (2) | | | 4.281 | 4.345 | JAJO | 2,497 | | 10/20/2005 | 10/21/2010 | |
| 46625H-AW-0 | J P Morgan Chase | | | | 1FE | 250,335 | 97.26 | 243,160 | 250,000 | 250,184 | | (74) | | | 3.625 | 3.624 | MN | 1,510 | 9,063 | 12/05/2003 | 05/01/2008 | |
| 635405-AR-4 | National City Corp | | | | 1FE | 250,325 | 100.14 | 250,343 | 250,000 | 250,306 | | (19) | | | 3.584 | 3.602 | MJSD | 373 | 4,845 | 09/12/2005 | 06/16/2010 | |
| 65011Q-AE-2 | New York Times | | | | 1FE | 268,713 | 100.44 | 251,095 | 250,000 | 257,487 | | (5,597) | | | 5.350 | 2.994 | FA | 5,016 | 13,375 | 12/18/2003 | 04/16/2007 | |
| 723686-AA-9 | Pioneer Hi Bred | | | | 1FE | 383,254 | 102.37 | 358,309 | 350,000 | 370,657 | | (6,311) | | | 5.750 | 3.714 | JJ | 9,280 | 20,125 | 12/19/2003 | 01/15/2009 | |
| 927804-CE-2 | Virginia Elec & Power | | | | 1FE | 287,190 | 103.71 | 259,265 | 250,000 | 266,277 | | (10,436) | | | 7.625 | 3.172 | JJ | 9,531 | 19,063 | 12/18/2003 | 07/01/2007 | |
| 949746-EX-5 | Wells Fargo & Co | | | | 1FE | 200,704 | 97.17 | 194,336 | 200,000 | 200,388 | | (162) | | | 3.500 | 3.439 | AO | 1,692 | 7,000 | 01/08/2004 | 04/04/2008 | |
| 957526-AB-2 | Westdeutsche NY | | | | 1FE | 383,534 | 103.02 | 360,581 | 350,000 | 371,059 | | (6,402) | | | 6.050 | 3.969 | JJ | 9,764 | 21,175 | 01/06/2004 | 01/15/2009 | |
| 3999999 | Subtotal - Issuer Obligations | | | | | 5,664,613 | X X X | 5,387,704 | 5,375,000 | 5,516,327 | | (77,292) | | | X X X | X X X | X X X | 78,605 | 248,687 | X X X | X X X | |
| 61745M-UB-7 | Morgan St 03-IQ6-A2 | | | | 1FE | 502,576 | 97.02 | 485,110 | 500,000 | 494,277 | | 57 | | | 4.170 | 4.306 | MON | 1,738 | 20,850 | 12/09/2003 | 12/15/2041 | |
| 929766-CR-2 | Wachovia Bk 02-C2-A3 | | | | 1FE | 508,984 | 98.17 | 490,840 | 500,000 | 496,532 | | 43 | | | 4.440 | 4.565 | MON | 1,850 | 22,200 | 12/16/2003 | 11/15/2034 | |

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

| 1 | 2 | Codes | | | 6 | 7 | Fair Value | | 10 | 11 | Change in Book/Adjusted Carrying Value | | | | Interest | | | | | Dates | |
|------------------------------|--|-------|---------------------------------|--------------|--------------------------|----------------|---|---------------|--------------|--|--|--|---|--|------------|-------------------------|-------------|--|-----------------------------------|----------|----------|
| | | 3 | 4 | 5 | | | 8 | 9 | | | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| CUSIP Identi- fication | Description | * | F o r e i g n | Bond CHAR | NAIC Desig- nation | Actual Cost | Rate Used To Obtain Fair Value | Fair Value | Par Value | Book/ Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amort- ization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Foreign Exchange Change in B./A.C.V. | Rate of | Effective Rate of | How Paid | Admitted Amount Due & Accrued | Gross Amt. Rec. During Year | Acquired | Maturity |
| 4399999 | Subtotal - Defined Multi-Class Commercial Mortgage-Backed Securities | | | | | 1,011,560 | X X X | 975,950 | 1,000,000 | 990,809 | | 100 | | | X X X | X X X | X X X | 3,588 | 43,050 | X X X | X X X |
| 4599999 | Subtotals - Industrial and Miscellaneous (Unaffiliated) | | | | | 6,676,173 | X X X | 6,363,654 | 6,375,000 | 6,507,136 | | (77,192) | | | X X X | X X X | X X X | 82,193 | 291,737 | X X X | X X X |
| 5499999 | Total Bonds - Issuer Obligations | | | | | 15,035,536 | X X X | 14,445,507 | 13,900,000 | 14,653,315 | | (201,527) | | | X X X | X X X | X X X | 194,467 | 623,238 | X X X | X X X |
| 5599999 | Total Bonds - Single Class Mortgage-Backed/Asset-Backed Securities | | | | | 3,893,083 | X X X | 3,797,803 | 3,834,338 | 3,884,228 | | (4,018) | | | X X X | X X X | X X X | 15,846 | 190,722 | X X X | X X X |
| 5699999 | Total Bonds - Defined Multi-Class Residential Mortgage-Backed Securities | | | | | 1,215,224 | X X X | 1,196,735 | 1,225,102 | 1,198,609 | | 495 | | | X X X | X X X | X X X | 4,689 | 33,705 | X X X | X X X |
| 5899999 | Total Bonds - Defined Multi-Class Commercial Mortgage-Backed Securities | | | | | 1,011,560 | X X X | 975,950 | 1,000,000 | 990,809 | | 100 | | | X X X | X X X | X X X | 3,588 | 43,050 | X X X | X X X |
| 6099999 | Total Bonds | | | | | 21,155,403 | X X X | 20,415,995 | 19,959,440 | 20,726,961 | | (204,950) | | | X X X | X X X | X X X | 218,590 | 890,715 | X X X | X X X |

NONE Schedule D - Part 2 - Section 1

NONE **Schedule D - Part 2 - Section 2**

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|-------------------------|--|---------|---------------|---------------------------|---------------------------------|-------------|--------------|---|
| CUSIP Identification | Description | Foreign | Date Acquired | Name of Vendor | Number of Shares of Stock | Actual Cost | Par Value | Paid for Accrued Interest and Dividends |
| 217482-YL-6 | Coppell Tx | | 02/09/2005 | Morgan Keegan & Co. | | 437,196 | 400,000.00 | 2,056 |
| 474176-GL-2 | Jefferson La Sales Tax Dist Sp | | 06/02/2005 | Morgan Keegan & Co. | | 492,593 | 450,000.00 | |
| 603789-V9-6 | Minneapolis Minn Spl Sch Dist | | 06/03/2005 | Sterne Agee & Leach | | 496,787 | 450,000.00 | 6,063 |
| 65821F-EQ-5 | North Carolina HSG Series 22-A | | 10/26/2005 | UBS Securities | | 318,372 | 300,000.00 | |
| 709174-8K-5 | Pennsylvania St Higher Edl Fac | | 06/15/2005 | Salomon Smith Barney | | 276,100 | 250,000.00 | 2,042 |
| 880557-F3-2 | Tennessee St Sch Bd Auth | | 07/06/2005 | Belle Haven | | 330,384 | 300,000.00 | 1,667 |
| 1799999 | Subtotal - Bonds - States, Territories and Possessions | | | | X X X | 2,351,432 | 2,150,000.00 | 11,828 |
| 31395L-KX-8 | FHLMC Remic 2920-LA | | 04/07/2005 | Morgan Stanley & Co. | | 480,314 | 478,966.81 | 732 |
| 31394D-N3-0 | FNR 2005-46 LD | | 12/21/2005 | McDonald & Co Securities | | 313,840 | 315,963.14 | 1,141 |
| 3199999 | Subtotal - Bonds - Special Revenue and Special Assessment and all Non-Guaranteed Obligations | | | | X X X | 794,154 | 794,929.95 | 1,873 |
| 10513Q-BF-7 | Branch Banking & Trust Co | | 08/25/2005 | Scott & Stringfellow Inc | | 250,000 | 250,000.00 | |
| 36962G-S7-0 | General Elec Cap Corp | | 10/20/2005 | Deutsche Bank Securities | | 300,060 | 300,000.00 | 143 |
| 635405-AR-4 | National City Corp | | 09/12/2005 | Credit Suisse FirstBoston | | 250,325 | 250,000.00 | 2,265 |
| 4599999 | Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | X X X | 800,385 | 800,000.00 | 2,408 |
| 6099997 | Subtotal - Bonds - Part 3 | | | | X X X | 3,945,971 | 3,744,929.95 | 16,109 |
| 6099998 | Summary Item from Part 5 for Bonds | | | | X X X | 272,320 | 275,000.00 | 1,542 |
| 6099999 | Total - Bonds | | | | X X X | 4,218,291 | 4,019,929.95 | 17,651 |
| 7499999 | Totals | | | | | 4,218,291 | X X X | 17,651 |

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 |
|------------------------------|--|---------------------------------|--------------------------|--------------------------|---------------------------------------|--------------------|--------------------------|--------------------|---|--|--|---|--|--|---|--|---|--|---|--------------------------|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | |
| CUSIP Ident- ification | Description | F o r e i g n | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consid- eration | Par Value | Actual Cost | Prior Year Book/ Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year (Amort- ization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Change in B./A.C.V. (11+12-13) | Total Foreign Exchange Change in B./A.C.V. | Book/ Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/ Stock Dividends Received During Year | Maturity Date |
| 38374C-J2-8 | GNMA REMIC 03-86 GE | | 12/20/2005 | PRINCIPAL RECEIPT | | 81,853 | 81,852.99 | 81,751 | 81,750 | | 103 | | 103 | | 81,853 | | | | 1,754 | 05/20/2027 |
| 0399999 | Subtotal - Bonds - U.S. Governments | | | | X X X | 81,853 | 81,852.99 | 81,751 | 81,750 | | 103 | | 103 | | 81,853 | | | | 1,754 | X X X |
| 584002-GJ-2 67759R-BK-7 | Mecklenburg Cnty Nc Ohio St | | 02/01/2005 06/15/2005 | Full Call MATURITY | | 250,000 350,000 | 250,000.00 350,000.00 | 252,188 367,941 | 252,106 356,135 | | (8) (6,135) | | (8) (6,135) | | 252,098 350,000 | | (2,098) | (2,098) | 2,500 8,750 | 02/01/2024 06/15/2005 |
| 1799999 | Subtotal - Bonds - States, Territories and Possessions | | | | X X X | 600,000 | 600,000.00 | 620,129 | 608,241 | | (6,143) | | (6,143) | | 602,098 | | (2,098) | (2,098) | 11,250 | X X X |
| 312962-VW-0 | FHLMC Gold #B10629 | | 12/15/2005 | PRINCIPAL RECEIPT | | 84,163 | 84,162.53 | 85,491 | 85,365 | | (1,202) | | (1,202) | | 84,163 | | | | 2,125 | 11/01/2018 |
| 312962-ZK-2 | FHLMC Gold #B10746 | | 12/15/2005 | PRINCIPAL RECEIPT | | 82,418 | 82,417.50 | 83,718 | 83,595 | | (1,177) | | (1,177) | | 82,418 | | | | 1,980 | 11/01/2018 |
| 312962-3G-6 | FHLMC Gold #B10799 | | 12/15/2005 | PRINCIPAL RECEIPT | | 49,059 | 49,059.07 | 49,833 | 49,760 | | (701) | | (701) | | 49,059 | | | | 1,500 | 12/01/2018 |
| 312963-PY-1 | FHLMC Gold #B11339 | | 12/15/2005 | PRINCIPAL RECEIPT | | 105,452 | 105,451.50 | 107,116 | 107,046 | | (1,595) | | (1,595) | | 105,452 | | | | 2,454 | 12/01/2018 |
| 3128H8-CB-4 | FHLMC Gold #E99966 | | 12/15/2005 | PRINCIPAL RECEIPT | | 73,407 | 73,406.99 | 74,565 | 74,457 | | (1,050) | | (1,050) | | 73,407 | | | | 2,050 | 10/01/2018 |
| 31395L-KX-8 | FHLMC Remic 2920-LA | | 12/15/2005 | PRINCIPAL RECEIPT | | 69,828 | 69,827.64 | 70,024 | 70,024 | | (196) | | (196) | | 69,828 | | | | 1,255 | 10/15/2030 |
| 31405D-KC-0 | FNMA Pool # 786091 | | 12/25/2005 | PRINCIPAL RECEIPT | | 82,425 | 82,424.56 | 83,712 | 83,669 | | (1,244) | | (1,244) | | 82,425 | | | | 1,949 | 07/01/2019 |
| 31400S-BR-9 | FNMA Pool #695848 | | 12/25/2005 | PRINCIPAL RECEIPT | | 74,497 | 74,497.41 | 75,720 | 75,610 | | (1,112) | | (1,112) | | 74,497 | | | | 1,907 | 05/01/2018 |
| 31400S-CF-4 | FNMA Pool #695870 | | 12/25/2005 | PRINCIPAL RECEIPT | | 78,652 | 78,652.29 | 79,943 | 79,826 | | (1,174) | | (1,174) | | 78,652 | | | | 2,056 | 04/01/2018 |
| 31401C-LJ-0 | FNMA Pool #704229 | | 12/25/2005 | PRINCIPAL RECEIPT | | 84,625 | 84,624.77 | 86,013 | 85,888 | | (1,263) | | (1,263) | | 84,625 | | | | 2,219 | 05/01/2018 |
| 31401X-L4-7 | FNMA Pool #721347 | | 12/25/2005 | PRINCIPAL RECEIPT | | 74,373 | 74,373.08 | 75,593 | 75,479 | | (1,106) | | (1,106) | | 74,373 | | | | 1,947 | 06/01/2018 |
| 31402X-AK-2 | FNMA Pool #740810 | | 12/25/2005 | PRINCIPAL RECEIPT | | 80,706 | 80,706.14 | 82,030 | 81,900 | | (1,194) | | (1,194) | | 80,706 | | | | 1,962 | 09/01/2018 |
| 3199999 | Subtotal - Bonds - Special Revenue and Special Assessment and all Non-Guaranteed Obligations | | | | X X X | 939,605 | 939,603.48 | 953,758 | 952,619 | | (13,014) | | (13,014) | | 939,605 | | | | 23,404 | X X X |
| 110122-AF-5 | Bristol Myer Squibb | | 04/04/2005 | New England Asset Mgmt | | 253,045 | 250,000.00 | 261,480 | 258,238 | | (1,194) | | (1,194) | | 257,044 | | (3,999) | (3,999) | 6,036 | 10/01/2006 |
| 172967-BA-8 | Citigroup Inc | | 10/28/2005 | Jefferies & Co | | 350,697 | 350,000.00 | 376,061 | 364,736 | | (13,244) | | (13,244) | | 351,492 | | (796) | (796) | 21,722 | 12/01/2005 |
| 337358-DQ-5 | First Union Corp | | 08/18/2005 | MATURITY | | 200,000 | 200,000.00 | 214,690 | 206,941 | | (6,941) | | (6,941) | | 200,000 | | | | 15,100 | 08/18/2005 |
| 718507-BQ-8 | Phillips Pete | | 05/31/2005 | New England Asset Mgmt | | 298,780 | 250,000.00 | 310,440 | 301,518 | | (3,542) | | (3,542) | | 297,976 | | 804 | 804 | 11,424 | 05/25/2010 |
| 74005P-AM-6 | Praxair Inc | | 05/31/2005 | Nationsbanc Capital Mkts | | 240,055 | 250,000.00 | 240,298 | 242,460 | | 859 | | 859 | | 243,320 | | (3,265) | (3,265) | 3,208 | 06/15/2008 |
| 867914-AR-4 | Suntrust Banks | | 05/31/2005 | Nationsbanc Capital Mkts | | 287,460 | 250,000.00 | 299,795 | 292,544 | | (3,001) | | (3,001) | | 289,543 | | (2,083) | (2,083) | 11,410 | 05/01/2010 |
| 4599999 | Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | X X X | 1,630,037 | 1,550,000.00 | 1,702,764 | 1,666,437 | | (27,063) | | (27,063) | | 1,639,375 | | (9,339) | (9,339) | 68,900 | X X X |
| 6099997 | Subtotal - Bonds - Part 4 | | | | X X X | 3,251,495 | 3,171,456.47 | 3,358,402 | 3,309,047 | | (46,117) | | (46,117) | | 3,262,931 | | (11,437) | (11,437) | 105,308 | X X X |
| 6099998 | Summary Item from Part 5 for Bonds | | | | X X X | 271,920 | 275,000.00 | 272,320 | X X X | | 744 | | 744 | | 273,064 | | (1,144) | (1,144) | 3,846 | X X X |
| 6099999 | Total - Bonds | | | | X X X | 3,523,415 | 3,446,456.47 | 3,630,722 | 3,309,047 | | (45,373) | | (45,373) | | 3,535,995 | | (12,581) | (12,581) | 109,154 | X X X |
| 7499999 | Totals | | | | | 3,523,415 | X X X | 3,630,722 | 3,309,047 | | (45,373) | | (45,373) | | 3,535,995 | | (12,581) | (12,581) | 109,154 | X X X |

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

[illegible]

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

[illegible]

NONE Schedule DB - Part A - Section 1 and 2

NONE Schedule DB - Part A - Section 3 and Part B - Section 1

NONE Schedule DB - Part B - Section 2 and 3

NONE Schedule DB - Part C - Section 1 and 2

NONE Schedule DB - Part C - Section 3 and Part D - Section 1

NONE **Schedule DB - Part D - Section 2 and 3**

NONE **Schedule DB - Part E - Section 1**

SCHEDULE E - PART 1 - CASH

[illegible]

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

| | | | | | | | |
|-------------|-------|----------|-------|--------------|-------|--------------|-------|
| 1. January | 2,191 | 4. April | 2,124 | 7. July | 2,056 | 10. October | 1,988 |
| 2. February | 2,169 | 5. May | 2,101 | 8. August | 2,034 | 11. November | 1,966 |
| 3. March | 2,146 | 6. June | 2,079 | 9. September | 2,011 | 12. December | 1,943 |

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

[illegible]

E 2 4

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

| States, Etc. | 1 | 2 | Deposits with the State of Domicile For the Benefit of All Policyholders | | All Other Special Deposits | |
|-------------------------------|--------------------|-------------------------|---|--------------------|--------------------------------------|--------------------|
| | Type of Deposit | Purpose of Deposit | 3 Book/Adjusted Carrying Value | 4 Fair Value | 5 Book/Adjusted Carrying Value | 6 Fair Value |
| 1. Alabama | AL | | | | | |
| 2. Alaska | AK | | | | | |
| 3. Arizona | AZ | | | | | |
| 4. Arkansas | AR | | | | | |
| 5. California | CA | | | | | |
| 6. Colorado | CO | | | | | |
| 7. Connecticut | CT | | | | | |
| 8. Delaware | DE | | | | | |
| 9. District of Columbia | DC | | | | | |
| 10. Florida | FL | | | | | |
| 11. Georgia | GA | | | | | |
| 12. Hawaii | HI | | | | | |
| 13. Idaho | ID | | | | | |
| 14. Illinois | IL | | | | | |
| 15. Indiana | IN | | | | | |
| 16. Iowa | IA | | | | | |
| 17. Kansas | KS | | | | | |
| 18. Kentucky | KY | | | | | |
| 19. Louisiana | LA | | | | | |
| 20. Maine | ME | | | | | |
| 21. Maryland | MD | | | | | |
| 22. Massachusetts | MA | | | | | |
| 23. Michigan | MI | | | | | |
| 24. Minnesota | MN | | | | | |
| 25. Mississippi | MS | | | | | |
| 26. Missouri | MO | | | | | |
| 27. Montana | MT | | | | | |
| 28. Nebraska | NE | | | | | |
| 29. Nevada | NV | | | | | |
| 30. New Hampshire | NH | | | | | |
| 31. New Jersey | NJ | | | | | |
| 32. New Mexico | NM | | | | | |
| 33. New York | NY | | | | | |
| 34. North Carolina | NC | | | | | |
| 35. North Dakota | ND | | | | | |
| 36. Ohio | OH | | | | | |
| 37. Oklahoma | OK | | | | | |
| 38. Oregon | OR | | | | | |
| 39. Pennsylvania | PA | | | | | |
| 40. Rhode Island | RI | B WORKERS' COMPENSATION | 1,044,383 | 1,009,610 | | |
| 41. South Carolina | SC | | | | | |
| 42. South Dakota | SD | | | | | |
| 43. Tennessee | TN | | | | | |
| 44. Texas | TX | | | | | |
| 45. Utah | UT | | | | | |
| 46. Vermont | VT | | | | | |
| 47. Virginia | VA | | | | | |
| 48. Washington | WA | | | | | |
| 49. West Virginia | WV | | | | | |
| 50. Wisconsin | WI | | | | | |
| 51. Wyoming | WY | | | | | |
| 52. American Samoa | AS | | | | | |
| 53. Guam | GU | | | | | |
| 54. Puerto Rico | PR | | | | | |
| 55. US Virgin Islands | VI | | | | | |
| 56. Canada | CN | | | | | |
| 57. Aggregate Alien and Other | OT | X X X | | | | |
| 58. Total | X X X | X X X | 1,044,383 | 1,009,610 | | |

| DETAILS OF WRITE-INS | | | | | | |
|--|-------|-------|--|--|--|--|
| 5701. | | | | | | |
| 5702. | | | | | | |
| 5703. | | | | | | |
| 5798. Summary of remaining write-ins for Line 57 from overflow page | X X X | X X X | | | | |
| 5799. Totals (Lines 5701 through 5703 + 5798) (Line 57 above) | X X X | X X X | | | | |